

CITY OF MINNEAPOLIS

Redeveloping property owned by the City of Minneapolis

Buying vacant buildings through the Community Planning and Economic Development (CPED) Department

CPED Mission: to equitably grow a sustainable city with more people and more jobs through thoughtful design and enhanced environment.



2/19/2015

Why does CPED own properties?

- To realize our mission, we acquire vacant and blighted properties and facilitate redevelopment through new construction and rehabilitation.
- Types of properties in CPED's inventory are:
 - vacant lots
 - vacant commercial buildings
 - vacant residential buildings
- Properties vary significantly in size, use, and redevelopment opportunities.

Steps to acquire and develop City owned vacant buildings

- Step 1: Application
- Step 2: City approval
- Step 3: Contract and sale
- Step 4: Construction
- Step 5: Completion



Step 1: Application

- Properties will be listed on CPED's website:
http://www.minneapolismn.gov/cped/housing/cped_vacant_lot_home
- Open houses will be scheduled for 30 minutes per house
- The purchase price is for the appraised value



Application components

Visit our website: www.minneapolismn.gov/cped/housing/cped_vacant_lot_home

Procedures for Buying a Residential Structure

From time to time, CPED has an inventory of residential properties in the city for sale for development. The sale of properties to prospective buyers is contingent on their ability to responsibly rehabilitate the project. As most of these properties are condemned and/or boarded and vacant, sale of these properties will be to entities/individuals that have experience dealing with extensive renovation projects. Additionally, all sales are subject to the approval of the City Council. Prices are determined by appraisals and are not negotiable. The City has the right to refuse any and all proposals received.

- [Application Form](#): All developers need to fill out an application prior to attending an open house.
- [Training Powerpoint](#): Thank you to everyone who attended our training at the North Regional Library on February 19.
- Vacant Structures Available for Purchase: A list of available structures and open house times will be posted in early March.
- [Rehab Improvement Standards](#): CPED requires that all homes acquired from the City of Minneapolis are improved to these basic standards.
- [Procedures for Purchasing Residential Properties for Housing](#): This document provides instructions on how to purchase residential properties from CPED, including a checklist to ensure that your offer is complete. Incomplete offers will not be processed.
- [Offer to Purchase Residential Land and Improvements](#): Once a code compliance or TISH report is received, submit an offer to purchase for each home you have interest in acquiring and submit along with a good faith deposit.

To be considered for future projects, please submit completed Application Form via [email](#) or mail to:

[Susan Schempf](#)
Crown Roller Building
105 5th Ave S, Suite 200
Minneapolis, MN 55401

For more information, call the Marketing Line at 612-673-5245.

Application Form Criteria

- All applicants complete an application form and submit to City staff
- City staff reviews application forms for the following:
 - **Experience** – require 2 years experience doing significant building rehab – it is acceptable to partner with an experienced contractor
 - **Responsibility** – require explanation for any vacant buildings or buildings with code violations currently owned
 - **Financial Capacity** – require a plan to pay for the rehab
 - **Plan for Occupancy** – require a marketing strategy for properties for sale

Financing Options – Homeowners

Minnesota Homeownership Center

<http://www.hocmn.org/buyingahome/homebuyer-information/>

The screenshot shows a web browser with two tabs: 'Minnesota Homebuyer Int' and 'www.hocmn.org/wp-con'. The address bar displays 'www.hocmn.org/buyingahome/homebuyer-information/'. The website header includes a language dropdown set to 'English', a phone number '651-659-9336 / 866-462-6466', and a navigation menu with links: Home, About Us, Buying a Home, Foreclosure Prevention, Reports & Resources, News & Events, and Contact Us.

More Homebuyer Information

- > Find a Homeownership Advisor
- > Homebuyer Education
- > Home Stretch Workshops
- > Framework
- > More Homebuyer Information
- > Down Payment Assistance in Minnesota
- > Steps to Successful Homeownership
- > Helpful Fact Sheets & Videos
- > Online Education
- > Homebuyer Reports
- > Advisors Can Help


< DID YOU KNOW? >

You Can Complete Your Loan's Education Requirement


Looking for Down Payment Assistance?

Many first-time buyers are unaware they may qualify for down payment or other assistance programs. It can be especially challenging to understand the requirements, benefits and application process for multiple programs.

The Center has partnered with **Down Payment Resource** to help! This FREE tool asks a series of simple questions and then provides you information about the down payment programs in Minnesota for which you may qualify. Get started [here](#).



The Homebuying Process in Minnesota:



To help you understand the steps to successful homeownership, the Center has created a visual overview of the process for buying your first home. Click 'Read more' or click on the image to view the steps to successful homeownership.


> READ MORE

Catalog of Affordable Mortgage Loans in Minnesota:

Shopping for, and getting, the right mortgage loan might just be the key to successful homeownership for you. The Center has compiled a catalog of **Affordable Mortgage Loan Products** for first-time homebuyers in Minnesota. These loans typically have flexible underwriting standards, low down-payment requirements and other qualities that make them perfect for first-time buyers. Click 'Read More' to open a PDF of the catalog. If you have questions about any of the products, please don't hesitate to contact a Homeownership Advisor by clicking [here](#).

> READ MORE

Catalog of Affordable Mortgages





Financing Options - Homeowners

Non-Profit Resources

The following organizations have homebuyer programs:

- City of Lakes Community Land Trust (www.clclt.org)
- Greater Metropolitan Housing Corporation (www.gmhchousing.org)
- Neighborhood Housing Services (www.minneapolisnhs.org)
- NeighborWorks Home Partners (www.nwhomepartners.org)
- Project for Pride in Living (www.ppl-inc.org)
- Twin Cities Habitat for Humanity (www.tchabitat.org)
- Urban Homeworks (www.urbanhomeworks.org)

Financing Options – Developers

Local Banks – resources for lines of credit or interim construction financing

Twin Cities Community Land Bank – interim financing for acquisition or rehab

<http://www.tcclandbank.org/community-lending.html>

The screenshot displays the website for the Twin Cities Community Land Bank. The browser's address bar shows the URL www.tcclandbank.org/community-lending.html. The website features a header with the organization's logo and a navigation menu with links to 'About Us', 'Our Initiatives', 'Partners', 'News & Events', 'Resources', and 'Contact Us'. A search bar is also present. The main content area is titled 'Building Neighborhoods Strengthening Communities' and includes a grid of colored squares. Below this, a section titled 'Our Initiatives' lists various programs: Neighborhood Recovery, Community Lending, Land Banking, Transit Corridors, and Strategic Acquisition. The 'Community Lending' section is highlighted, and a large blue arrow points to it from the right. The 'Community Lending' section describes the bank's lending philosophy and provides a list of loan types: New Construction of Affordable Housing, Single Family and Multifamily Affordable Housing Preservation, Homebuyer Assistance, Commercial Properties, and Our Initiatives. A map at the bottom shows the location of the bank's offices.

Twin Cities Community Land Bank

Building Neighborhoods Strengthening Communities

Neighborhood Recovery Community Lending Land Banking Transit & Commercial Corridors Strategic Acquisition

About Us Our Initiatives Partners News & Events Resources Contact Us Search Our Site GO

Our Initiatives

COMMUNITY LENDING

TCC Land Bank's lending philosophy is to be a catalyst for sustainable economic growth and development in the Twin Cities, particularly in low income communities and communities of color. TCC Land Bank, a certified Community Development Financial Institution (CDFI), works with and among many public, private, and nonprofit organizations involved with sustainable community development in the Twin Cities. Our products and services are designed to facilitate the participation of government, private capital sources, and nonprofit lenders and service providers in the revitalization of low-income communities in the Minneapolis and St. Paul metropolitan area. Our goal is to complement the work of others and not duplicate products or services. TCC Land Bank provides Community Lending activity through loans and grants.

Loans

- New Construction of Affordable Housing
- Single Family and Multifamily Affordable Housing Preservation

TCC Land Bank provides loans and grants to the community.

New Construction of Affordable Housing Single Family and Multifamily Affordable Housing Preservation

Homebuyer Assistance Commercial Properties Our Initiatives

Click on the boxes above to learn more.

TCC Land Bank Loans and Aquisitions

www.tcclandbank.org/community-lending.html

Application Process

1. Applicant submits an **Application Form** to City staff
2. City staff posts an open house schedule
3. Applicant attends an open house
4. Applicant submits an **Offer to Purchase** to City staff
5. City staff reviews and initiates the city approval process



Offer to Purchase Criteria

- If multiple offers are received for a property:
 - Preference for offers from owner occupants first
 - Secondary preference for offers from developers that will sell to an owner occupant
 - If preference cannot be applied, City staff recommends the strongest proposal



Step 2: City Approval



Step 3: Contract and Sale

CPED staff sends the contract shortly after council approval. Requirements include:

- 10% good faith deposit
- Construction to meet rehabilitation standards
- Builder's risk insurance for the cost of Minimum Improvements
- General liability insurance for \$2,000,000 that names the City as additional insured
- Worker's compensation insurance
- Signage advertising City involvement in the project

Step 3: Contract and Sale

- Once contract is signed, closing is scheduled
- Applicant receives tax title and is responsible for clearing title
- City cancels assessments up to the date of closing



Step 4: Construction

- Complete improvements and ensure compliance with regulations
- Construction must start 30 days after closing and be complete 6 months after closing
- Good faith deposit returned when project is complete

Regulations	Inspected/enforced by
City code and vacant building	Regulatory Services Division: Building Inspectors
Minimum property standards	Residential and Real Estate Development Division (RRED): Construction Management

Regulatory Services Requirements

- Fill out a Restoration Agreement between applicant and Regulatory Services within 90 days of VBR anniversary
- Regulatory Services waives the vacant building fee after signing Restoration Agreement
- Applicant secures all required permits
- Applicant addresses all code items
- CPED Construction Code Services issues Certificate of Code Compliance Completion for condemned properties

Step 5: Completion

- Final RRED Construction Management inspection
- Certificate of completion issued
- Good faith deposit returned
- Sell, lease, or occupy the house!



Next Steps

- The list of vacant buildings and open houses will be posted on CPED's website in early March
- Properties will be posted on an ongoing basis as they are ready to be viewed
- All participants in this training will be e-mailed as each posting occurs



Anticipated Timeline

All items list the maximum time – CPED staff will make every effort to move the process along more quickly and encourage Applicants to do the same.

Step	Timeline
Applicant submits a developer application	Before first scheduled open house
CPED posts open house	On an ongoing basis
Open house occurs	One week after posting
Applicant submits offer to purchase	Two weeks after open house
CPED staff review	Two weeks from offer due date
Neighborhood comment period	45 days from staff review
City Council approval period	45 days from staff review
Contract and closing	30 days from city council approval
Construction start	30 days from closing
Construction end	6 months from closing

Questions?

Website for property listing:

[http://www.minneapolismn.gov/cped/housing/cped_vacant lot home](http://www.minneapolismn.gov/cped/housing/cped_vacant_lot_home)

Contact Roxanne Young Kimball

Roxanne.Kimball@minneapolismn.gov

612-673-2794

Please fill out an evaluation form before leaving!